GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:777
ANSWERED ON:03.03.2008
PROCUREMENT OF FOODGRAINS
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the total stock of wheat and rice during each quarter of the last two years and thereafter till date alongwith the norms for the buffer stock during the said period;

(b) the total quantum of the said commodities procured and exported during the said period;

(c) whether the procurement of said commodities is likely to fall short of the demand during the current year;

(d) if so, the details thereof and the steps taken to meet the shortage;

(e) whether the shortage of foodgrains is likely to adversely affect the Public Distribution System (PDS); and

(f) if so, the details thereof and steps taken by the Government to ensure adequate supply of foodgrains particularly for weaker sections of society?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a): The stock position of wheat and rice vis-Ã -vis buffer norms since 1.1.06 is as under:-

(figures in lakh tonnes)

As on	Actual stock of Rice	Buffer norms	Actual stock of Wheat	Buffer norms
1.1.2006	126.41	118.00	61.88	82.00
1.4.2006	136.75	122.00	20.09	40.00
1.7.2006	111.43	98.00	82.07	171.00
1.10.2006	59.70	52.00	64.12	110.00
1.1.2007	119.77	118.00	54.28	82.00
1.4.2007	131.72	122.00	47.03	40.00
1.7.2007	109.77	98.00	129.26	171.00
1.10.2007	54.89	52.00	101.21	110.00
1.1.2008	114.75	118.00	77.12	82.00

(b),(c),(d) &(e): The quantity of wheat and rice procured during last 3 years and current is as under:-

In lakh tonnes

Marketing Season	Rice	Wheat
2005-06	276.6	147.8
2006-07	250.8	92.2
2007-08	199.11	11.3

(as on 27 Feb. 2008)

Procurement of wheat during Rabi Marketing Season 2006-07 and 2007-08 against the annual requirement of 150 lakh tonnes of wheat for the Targeted Public Distribution System (TPDS) and Welfare Schemes has been 92.2 lakh tonnes and 111.28 lakh tonnes. To make up the shortfall the Govt. took decisions to import 55 lakh tonnes of wheat in 2006-07 and 23 Lakh tonnes in 2007-08. All out efforts are being made by the Government to procure sufficient quantity of wheat during the ensuing RMS 2008-09 to meet the demand of TPDS and other welfare schemes. Procurement of rice during Kharif Marketing Season (KMS) 2005-06 and 2006-07 were 276.6 and 250.8 lakh tonnes respectively against the approximate requirement of 250 lakh tonnes of rice for the TPDS and other welfare schemes. During current KMS 2007-08, 199.1 lakh tonnes of rice has been procured in the Central Pool as on 27.2.2008 which is 7.3 lakh tonnes more than the 191.8 lakh tonnes of rice procured in the corresponding period in the previous KMS. It is estimated that approximately sufficient rice will be procured to meet the demand of TPDS and other welfare schemes.

(f): The Government has taken several steps to procure sufficient quantity of rice and wheat in the Central Pool in 2007-08, the details of which are in Annexure I & II respectively.

ANNEXURE I

REFERRED TO IN REPLY TO PART (f) OF THE UNSTARRED QUESTION NO. 777 DUE FOR ANSWER ON 3.3.2008 IN THE L0K SABHA

Steps taken by the Government to maximise procurement of rice in (KMS) 2007-08

(i) The MSP for rice was fixed at Rs. 645 and Rs 675 per quintal for Common and Grade `A` variety respectively for KMS 2007-08, an increase of Rs. 65 per quintal, in order to encourage farmers to grow more rice.

(ii) The Commission to Societies and Self-Help Groups undertaking procurement of paddy on behalf of the FCI/State Agencies, etc. has been allowed at a maximum of 1.5% of MSP

(iii) The Government has announced a bonus of Rs. 100 per quintal over and above the MSP of Rs. 645 per quintal for `Common` and Rs. 675 per quintal for Grade `A` variety of paddy respectively.

(iv) Export of non-basmati rice below Minimum Export Price of $ 500 per MT has been banned.

(v) A notification titled `Rice (Stock Declaration by Companies or Firms or Individuals) Order 2007 has been issued under the Essential Commodities Act 1955 on 27.11.2007. The order provides that any Company or Firm or individual which purchases paddy (in terms of rice) or rice beyond 10,000 tonnes during Kharif Marketing Season 2007-08 (October-September) shall furnish a return to the Secretary, Department of Food of the State from where maximum quantity has been purchased. In case the purchase of paddy (in terms of rice) or rice exceeds 25,000 tonnes (throughout the country) the return in the prescribed proforma to Department of Food & Public Distribution of Central Government. The concerned State Government with which returns are filed shall submit a consolidated monthly report to Central Government.

ANNEXURE II

REFERRED TO IN REPLY TO PART (f) OF THE UNSTARRED QUESTION NO. 777 DUE FOR ANSWER ON 3.3.2008 IN THE L0K SABHA

Steps taken by the Government to maximise procurement of wheat in (RMS) 2007-08

i) The MSP for wheat was fixed at Rs. 750 per quintal for RMS 2007-08, an increase of Rs.100 per quintal, in order to encourage farmers to grow more wheat. Now, according to the Fourth Advance Estimates of the Department of Agriculture & Cooperation, the estimated production of wheat is likely to be 74.89 million tonnes in crop year 2006-07 compared to 69.35 million tonnes in crop year 2005-06.

(ii) An incentive bonus of Rs 100 per quintal over and above the MSP was also given in RMS 2007-08.

(iii) A Committee of officers /Experts was formed to recommend an appropriate strategy for wheat procurement in RMS 2007-08, and the recommendations of this Committee were acted upon appropriately by the Government
iv) Import of 55 lakh tonnes of wheat was done in 2006-07 which improved the stock position of wheat in the Central pool and the wheat stocks (as on 1.4.2007) were more than the buffer norms of 40 lakh tonnes at the start of RMS 2007-08.

v) Wheat exports on private account have been banned. Wheat exports from Central Pool are also banned.

vi) 1.11 lakh tonnes of wheat was released under OMSS in February and March 2007 to cool the market prices before the start of RMS 2007-08.

vii) A notification titled `Wheat (Stock Declaration by Companies or Firms or Individuals) Order 2007 has been issued under the Essential Commodities Act 1955 on 1.3.2007. The order provides that any Company or Firm or individual which purchases wheat beyond 50,000 tonnes during 2007-08 shall furnish to the Central Government a return indicating the name/address of the company, quantity of wheat purchased and quantity of wheat held in stock.

viii) Import of wheat on private account at zero duty has been permitted .

ix) 13128 centers for wheat procurement were opened by Government agencies in RMS 2007-08 as compared to 8985 centers in RMS 2006-07.

x) Senior Officers of Department of Food and Public Distribution and FCI frequently visited wheat procuring States to personally assess the situation.

xi) In order to encourage wheat procurement in States like U.P., Madhya Pradesh, etc Commission to Societies/sub-agents was enhanced to 2.5% on the lines of the Arthiya Commission in Punjab and Haryana for RMS 2007-08.

xii) NAFED was also engaged to procure wheat on behalf of FCI during RMS 2007- 08.